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**Title:**

Press release: Softwood Holdings Limited

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SOFTWOOD HOLDINGS LIMITED.

23.5.72

An \$8M. expansion programme by the Mt. Gambier based Softwood Holdings Limited was today announced by the Premier, Mr. Dunstan. The expansion scheme will entail a sizeable increase in the Company's work force.

Mr. Dunstan described it as: "a most welcome and significant stage in the development of the forest products industry in the South East". The scheme is to modernise and extend Softwood Holdings Limited's timber manufacturing facilities and forest holdings, to integrate its operations and to further use residual wood from its present operations.

It involves capital expenditure of between \$7M. and \$8M. over two to three years.

Finance has been arranged from within the Company's own resources and from external borrowings.

Mr. Dunstan said the State Government had provided material assistance from the Woods and Forests Department to ensure continuity of log supplies and production of raw material at rates necessary to support the scheme.

Technical advice on various aspects of production had also been supplied by the Electricity Trust of South Australia and the Engineering and Water Supply Department.

Mr. Dunstan noted that he had been informed by the Company that in accordance with their declared policy in regard to environmental protection all new plant would be designed to give maximum protection against all forms of pollution.

About \$6M. of the overall cost will be spent on plant and buildings. Included in the scheme will be extensions of the Company's log barking and wood chipping plants.

The main development would occur at the Company's Lakeside premises at Mt. Gambier, together with additions to modernise all other sections of the Company's installations.

It was expected that the number of employees, now totalling 1300, would rise by about 160 as a result of the scheme.

Only a portion of increased output would be taken up within S.A. but surveys by the Company showed there was a most promising potential market interstate.

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NOTES ON THE CURRENT DEVELOPMENT OF  
SOFTWOOD HOLDINGS LIMITED, PROVIDING AN  
INTEGRATED FOREST PRODUCTS COMPLEX

1. This programme which is now in progress aims to modernise and extend its timber manufacturing facilities and forest holdings, to gain a better integration of its operations and in particular to further utilise the residual wood available from its timber producing and forest operations.
2. The programme will involve capital expenditure between \$7 million and \$8 million over a period of two to three years and of this amount approximately \$6 million will be spent on plant and buildings.
3. Finance for the project has been arranged from within the Company's own resources and by external borrowings.
4. Included in the extensions will be expansion of the Company's log barking and wood chipping plants as a result of which suitable raw material previously used as boiler fuel will be produced to supply a modern industrial complex, the development of which follows an extensive feasibility study by both Company Staff and Consultants involving close consideration of the latest overseas developments in timber procurement and utilisation. This particular part of the expansion will permit the production of modern and sophisticated board products of various types.
5. Although the main developments will occur at the Company's Lakeside premises at Mt. Gambier, additions to and the modernisation of other sections of the Company's installations will be necessary in order that full advantage can be taken of the available residual wood in the form of slab wood, chips, dockings etc. produced at these other sites.
6. The Company is aware of the marketing problems which will be created by the increased variety and volume of its output, particularly as South Australia will be capable of absorbing only a modest proportion of some of this production. A strong penetration of the markets available in all States of the Commonwealth and overseas will be required, and the necessary survey of the market potential reveals a most promising picture.
7. The new installations will increase job opportunities and it is anticipated that the number of the Company's employees now totalling 1,300 will increase by approximately 160.
8. The Company has received material assistance from the Minister of Forests of S.A. and the Woods & Forest Department whereby a long term Wood Agreement will ensure a continuity of log supply and the production of raw material at rates necessary to properly support the project. This log supply will be augmented by other logs which will become available in the forests of the Company and from other sources.

9. The Government of South Australia has provided material assistance in other directions also.

- a. The Electricity Trust of South Australia has provided technical advice on wood burning which will occur in a power house now in the course of erection at Lakeside in order that the heavy demands for an increased supply of steam can be met by the Company.

The Electricity Trust has proferred helpful technical advice on the supply and reticulation of high voltage electric power. As the Company's power requirements at the Lakeside premises will more than double by 1973 this advice has been accepted and a changeover to this high voltage power will be made. Also most important is the fact that the Electricity Trust will carry out certain extensions on its own account to ensure that this extra power is available in the latter part of 1972.

- b. The Engineering and Water Supply Department has given valuable cooperation and advice in relationship to water reticulation and the disposal of small volumes of industrial waste as may be produced.

10. In accordance with the Company's declared policy in relation to environmental protection, all new plant is designed to offer the maximum protection against all forms of pollution.
11. Because of the complex nature of much of this plant, a considerable portion of the plant must come from overseas. However, where it is reasonably possible, Australian manufactured plant will be used in the expansion plans of the Company.